Volume 1, Section 2 – Customer Operations (sic)*

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Q. (page 51, Table 21) NP has shown the Board-approved rates of return on rate base and forecast rates of return on rate base and the actual and forecast rates of return on common equity for the period 2002 to 2008 E. Please reproduce Table 21 as amended to include the approved or formula indicated rate of return on common equity as compared to the actuals achieved for each of the years 2002 to 2006, and the forecasts for 2007 and 2008.

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A. Table 1 provides the rates of return on rate base and the rates of return on common equity as requested for the period 2002 to 2008.

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Table 1
Returns: 2002 to 2008
(percent)

	2002^{1}	2003^{2}	2004^{2}	2005^{1}	2006^{1}	$2007F^1$	2008E
Rate of Return on Rate Base							
Midpoint (Approved)	9.94	8.96	8.91	8.68	8.68	8.47	8.47
Actual/Forecast	9.94	9.03	8.82	8.53	8.57	8.20	6.64
Rate of Return on Common							
Equity for rate setting purposes	9.05	9.75	9.75	9.24	9.24	8.60	n/a
Actual/Forecast	10.65	10.22	10.12	9.60	9.46	8.80	5.56

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*Refer to Volume 1, Section 3 – Finance of the Application.

The rate of return on common equity as established in accordance with the operation of the Automatic Adjustment Formula.

The 9.75% rate of return on equity for rate making purposes in 2003 and 2004, resulting from the 2003 general rate application, was approved in Order No. P.U. 19 (2003).